

## DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

JUNE 28, 1952.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany S. 2594]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "Defense Production Act Amendments of 1952"*.

#### TITLE I—AMENDMENTS TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new sentence: "Nor shall any restriction or other limitation be established or maintained upon the species, type, or grade of livestock killed by any slaughterer, nor upon the types of slaughtering operations, including religious rituals, employed by any slaughterer; not shall any requirements or regulations be established or maintained relating to the allocation or distribution of meat or meat products unless, and for the period for which, the Secretary of Agriculture shall have determined and certified to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor: Provided, That nothing in this Act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products."

SEC. 102. Section 101 of the Defense Production Act of 1950, as amended, is amended by inserting "(a)" after "101.", and by adding at the end of such section the following new subsection:

"(b) When all requirements for the national security, for the stockpiling of critical and strategic materials, and for military assistance to any foreign nation authorized by any Act of Congress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures. No agreement shall be entered into by the United States limiting total United States consumption of any material unless such agreement authorizes domestic users in the United States to purchase the quantity of such material allocated to other countries participating in the International Materials Conference and not used by any such participating country. Nothing contained in this Act shall impair the authority of the President under this Act to exercise allocation and priorities controls over materials (both domestically produced and imported) and facilities through the controlled materials plan or other methods of allocation."

SEC. 103. Section 104 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 104. Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and imports into the United States of any such commodity or product, by types or varieties, shall be limited to such quantities as the Secretary of Agriculture finds would not (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program: Provided, however, That the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in the section, not to exceed 15 per centum of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationships and trade. The President shall exercise the authority and powers conferred by this section."

SEC. 104. The first sentence of section 302 of the Defense Production Act of 1950, as amended, is amended by inserting before the period at the end thereof the following: ", and manufacture of newsprint".

SEC. 105. Paragraph (2) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting after the first sentence thereof the following new sentence: "No regulation or order shall be issued or remain in effect under this title which prohibits the payment or receipt of hourly wages at a rate of \$1 per hour or less."

SEC. 106. (a) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting in the fifth sentence thereof after "(1) the Agricultural Act of 1949," the

following: "except that under any price support program announced while this title is in effect the level of support to cooperators shall be 90 per centum of the parity price, or such higher level as may be established under section 402 of that Act, for any crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas,"

(b) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "No ceiling prices for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products, shall be established or maintained in any agricultural marketing area at levels which deny to any processor of such products the cost adjustments provided in paragraph (4) of this subsection and which deny to any distributor or seller of such products the customary margin or charge provided in subsection (k) of this section. Where a State regulatory body is authorized to establish minimum and/or maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices, established by such regulatory body, as the case may be: And provided further, That in the case of prices of milk established by any State regulatory body, with respect to which prices, parties may be deemed to contract, no ceiling price may be maintained under this title which is less than the price so established. No ceiling shall be established or maintained under this title for fruits or vegetables in fresh or processed form."

SEC. 107. Paragraph (4) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "The provisions of this paragraph shall not apply in the case of a seller of a material at retail or wholesale within the meaning of subsection (k) of this section."

SEC. 108. Subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(5) For the purpose of determining the applicable ceiling price under the general ceiling price regulation issued January 26, 1951, as amended, any sale of fertilizer to the ultimate user by a person who acquired it for resale shall be considered a retail sale."

SEC. 109. (a) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding after the word "profession" in paragraph (ii) thereof the following: "; wages, salaries, and other compensation paid to professional engineers employed in a professional capacity; wages, salaries, and other compensation paid to professional architects employed in a professional capacity by an architect or firm of architects engaged in the practice of his or their profession; and wages, salaries, and other compensation paid to certified public accountants licensed to practice as such employed in a professional capacity by a certified public accountant or firm of certified public accountants engaged in the practice of his or their profession".

(b) Paragraph (v) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(v) (1) Rates and charges by any common carrier or other public utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, Sixty-fourth Congress), as amended, and including compensation for the use by others of a common carrier's cars or other

transportation equipment, charges for the use of washroom and toilet facilities in terminals and stations, and charges for repairing cars or other transportation equipment owned by others; charges for the use of parking facilities operated by common carriers in connection with their common carrier operations; and (2) charges paid by common carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation equipment owned by a person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pickup and delivery and local transfer services: Provided, That no common carrier or other public utility shall at any time after the President shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase, unless it first gives thirty days' notice to the President, or such agency as he may designate, and consents to timely intervention by such agency before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase: And provided further, That the Office of Price Stabilization shall not intervene in any case involving increases in rates or charges proposed by any common carrier or other public utility except as provided in the preceding proviso."

(c) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraphs:

"(viii) Rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing.

"(ix) Wages, salaries, or other compensation of persons employed in small-business enterprises as defined in this paragraph: Provided, however, That the President may from time to time exclude from this exemption such enterprises on the basis of industries, types of business, occupations, or areas, if their exemption would be unstabilizing with respect to wages, salaries, or other compensation, prices, or manpower, or would otherwise be contrary to the purposes of this Act. A small-business enterprise, for the purpose of this paragraph, is any enterprise in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. This paragraph shall become effective thirty days after its enactment.

"(x) Prices charged and wages paid by bowling alleys.

"(xi) Wages paid for agricultural labor."

SEC. 110. The first sentence of section 402 (k) of the Defense Production Act of 1950, as amended, is amended to read as follows: "No rule, regulation, order, or amendment thereto shall be issued or remain in effect under this title, which shall deny sellers of materials at retail or wholesale their customary percentage margins over costs of the materials or their customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by their records during such period, except as to any one specific item of a line of material sold by such sellers which is in short supply as evidenced by specific government action to encourage production of the item in question: Provided, however, That if the antitrust



laws of any State have been construed to prohibit adherence by sellers of materials at wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth".

SEC. 111. Section 402 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new subsections:

"(l) No rule, regulation, order, or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by the State law (other than any so-called 'fair trade law') now in effect, or by regulation issued pursuant to such law.

"(m) No rule, regulation, order, or amendment thereto shall be issued or maintained under this title, which shall deny to any hotel supply house or combination distributor, affiliated with any slaughterer or slaughtering establishment, or to any wholesaler so affiliated but whose affiliation does not amount to an interest or equity of more than 50 per centum, the same ceiling price or prices for meat accorded to hotel supply houses, combination distributors, or wholesalers which are not so affiliated.

"(n) Notwithstanding any other provision of this Act, whenever price ceilings are declared in effect on any agricultural commodity at the farm level, the Director of Price Stabilization must at the same time put into effect margin controls on processors, wholesalers, and retailers, such margin controls to allow the processors, wholesalers, and retailers the normal mark-ups as provided under this Act, except that under no circumstances are the sellers to be allowed greater than their normal margins of profit."

SEC. 112. Section 403 of the Defense Production Act of 1950, as amended, is amended by inserting "(a)" after "403." and by adding at the end thereof the following new subsections:

"(b) (1) There is hereby created, in the present Economic Stabilization Agency, or any successor agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the 'Board'), which shall be composed, in equal numbers, of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order.

"(2) The members of the Board shall be appointed by the President, by and with the advice and consent of the Senate. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.

"(3) The term of office of the members of the Board shall terminate on May 1, 1953. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry, shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses

in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(5) The Board shall, under the supervision and direction of the Economic Stabilization Administrator—

"(A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and

"(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, advise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

For the purposes of this Act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Except as provided in clause (B) of this paragraph, the Board shall have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress.

"(6) Paragraph (5) of this subsection shall take effect thirty days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order Numbered 10161, and reconstituted by Executive Order Numbered 10233, as amended by Executive Order Numbered 10301, is hereby abolished, effective at the close of the twenty-ninth day following the date on which this subsection is enacted. After June 27, 1952, the present Wage Stabilization Board shall issue no regulation or order except with respect to individual cases pending before the Board prior to such date.

"(c) Notwithstanding any other provision of this section, the stabilization of the salaries and other compensation of persons (not represented in their relationships or eligible to be so represented with their employer by duly certified or recognized labor organizations) employed as outside salesmen or in bona fide executive, administrative, or professional capacities, as such terms are defined in the regulations issued in pursuance of section 13 (a) (1) of the Fair Labor Standards Act of 1938, as amended, or as supervisors, as defined by the Labor Management Relations Act, 1947, as amended, shall be administered by the Salary Stabilization Board and the Office of Salary Stabilization as presently established within the Economic Stabilization Agency, or any successor agency, subject to the supervision and direction of the Economic Stabilization Administrator.

"(d) It shall be the express duty, obligation, and function of the present Economic Stabilization Agency, or any successor agency, to coordinate the relationship between prices and wages, and to stabilize prices and wages."

SEC. 113. (a) (1) The first sentence of subsection (a) of section 407 of the Defense Production Act of 1950, as amended, is amended by

striking out "relating to price controls under this title" and inserting in lieu thereof "relating to price controls under this title or rent controls under the Housing and Rent Act of 1947, as amended"; and by striking out "relating to price controls" after "any such regulation or order".

(2) Subsection (b) of section 407 of the Defense Production Act of 1950, as amended, is amended by inserting after "this title" the following: "and the Housing and Rent Act of 1947, as amended,"; and by inserting after "section 705 of this Act" the following: "or section 206 of the Housing and Rent Act of 1947, as amended, as the case may be".

(b) Section 408 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 408. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon such filing, the court shall have exclusive jurisdiction of the proceeding and of all questions determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper; to permanently enjoin or set aside, in whole or in part, the regulation or order or the amendment of or supplement to the regulation or order protested; to make and enter upon the pleadings, evidence, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the President; to dismiss the petition; or to remand the proceeding to the President for further action in accordance with the court's decree: Provided, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. The findings of the President with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

"(b) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title. So far as necessary to deci-

sion the court shall decide all relevant questions of law, interpret constitutional and statutory provisions, interpret the meaning or applicability of the terms of any official action under this title or under this Act, as amended, of which this title is a part and with respect to this title, or under the Housing and Rent Act of 1947, as amended. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

"(c) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any such regulation or order issued under this title, or under the Housing and Rent Act of 1947, as amended. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title, or the Housing and Rent Act of 1947, as amended, authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"(d) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving alleged violation of any provision of any such regulation or order, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b) and (c) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—



"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"(iii) during the pending of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of the Act or section 206 (b) of the Housing and Rent Act of 1947, as amended, the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title."

SEC. 114. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 411. In the administration of this title, no person shall be required to furnish any reports or other information with respect to sales of materials or services at prices which are below ceiling, if such person certifies to the President that such sales were made at such prices.

#### "SUSPENSION OF CONTROLS

"SEC. 412. It is hereby declared to be the policy of the Congress that the President shall use the price, wage, and other powers conferred by this Act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this Act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record keeping which retard rather than assist

in the achievement of the purposes of this Act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other compensation, or both, is necessary in order to effectuate the purposes of this Act, he shall by regulation or order terminate the suspension."

SEC. 115. Section 503 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following: "It is the sense of the Congress that, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress therefore requests the President to invoke immediately the national emergency provisions (sections 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, for the purpose of terminating such work stoppage."

SEC. 116. (a) Section 601 of the Defense Production Act of 1950, as amended, is hereby repealed. The heading of title VI of the Defense Production Act of 1950, as amended, is amended to read as follows: "TITLE VI—CONTROL OF REAL ESTATE CREDIT", and the subheading of such title is amended to read as follows: "This title authorizes the regulation of real estate construction credit only". The table of contents in the first section of the Defense Production Act of 1950, as amended, is amended by striking out "consumer and".

(b) Title VI of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"SEC. 607. Notwithstanding the provisions of sections 602 and 605 of this title, the authority of the President which is derived from said sections to impose credit regulations relative to residential property shall not be exercised with respect to extensions of credit made during any 'period of residential credit control relaxation', as that term is herein defined, in such manner as to impose any down payment requirement in excess of 5 per centum of the transaction price. The President shall cause to be made estimates of the number of permanent, non-farm, family dwelling units, the construction of which has been started during each calendar month and, on the basis of such estimates, he shall cause to be made estimates of the annual rate of construction starts during each such month, after making reasonable allowance for seasonal variations in the rate of construction. If for any three consecutive months the annual rate of construction starts so found for each of the three months falls to a level below an annual rate of 1,200,000 starts per year, the President shall cause to be published in the Federal Register an announcement of the beginning of a 'period of residential credit control relaxation', which period shall begin not later than the first day of the second calendar month following such three consecutive months. Each such relaxation period may be terminated by the President at any time after the annual rate of construction starts thereafter estimated for each of any three consecutive months exceeds the level referred to in the preceding sentence."

(c) Section 708 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(f) After the date of enactment of the Defense Production Act Amendments of 1952, no voluntary program or agreement for the control of credit shall be approved or carried out under this section."

SEC. 117. Section 705 of the Defense Production Act of 1950, as amended, is amended by adding thereto the following new subsection:

"(f) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

SEC. 118. The first sentence of section 707 of the Defense Production Act of 1950, as amended, is amended by striking out the word "his".

SEC. 119. Subsection (b) of section 712 of the Defense Production Act of 1950, as amended, is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "It shall be the function of the Committee to make a continuous study of the programs and of the fairness to consumers of the prices authorized by this Act and to review the progress achieved in the execution and administration thereof."

SEC. 120. Section 717 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(d) No action for the recovery of any cooperative payment made to a cooperative association by a Market Administrator under an invalid provision of a milk marketing order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937 shall be maintained unless such action is brought by producers specifically named as party plaintiffs to recover their respective share of such payments within ninety days after the date of enactment of the Defense Production Act Amendments of 1952 with respect to any cause of action heretofore accrued and not otherwise barred, or within ninety days after accrual with respect to future payments, and unless each claimant shall allege and prove (1) that he objected at the hearing to the provisions of the order under which such payments were made and (2) that he either refused to accept payments computed with such deduction or accepted them under protest to either the Secretary or the Administrator. The district courts of the United States shall have exclusive original jurisdiction of all such actions regardless of the amount involved. This subsection shall not apply to funds held in escrow pursuant to court order. Notwithstanding any other provision of this Act, no termination date shall be applicable to this subsection."

SEC. 121. (a) Paragraph (4) of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, is amended by striking out "1952" and inserting in lieu thereof "1953".

(b) Section 717 (a) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(a) Titles I, II, III, VI, and VII of this Act and all authority conferred thereunder shall terminate at the close of June 30, 1953; and titles IV and V of this Act and all authority conferred thereunder shall terminate at the close of April 30, 1953."

## TITLE II—AMENDMENTS TO HOUSING AND RENT ACT OF 1947, AS AMENDED

SEC. 201. (a) Subsection (e) of section 4 of the Housing and Rent Act of 1947, as amended, is amended by striking out "June 30, 1952" and inserting in lieu thereof "April 30, 1953".

(b) Subsection (f) of section 204 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"(f) (1) The provisions of this title shall cease to be in effect at the close of September 30, 1952, except that they shall cease to be in effect at the close of April 30, 1953—

"(A) in any area which prior to or subsequent to September 30, 1952, is certified under subsection (1) of section 204 of this Act as a critical defense housing area;

"(B) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to September 30, 1952, declares (by resolution of its governing body adopted for that purpose, or by popular referendum in accordance with local law) that a substantial shortage of housing accommodations exists which requires the continuance of federal rent control in such city, town, or village; and

"(C) in any unincorporated locality in a defense rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (B) at a time when maximum rents under this title were in effect in such unincorporated locality.

"(2) Any incorporated city, town, or village which makes the declarations specified in paragraph (1) (B) of this subsection shall notify the President in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

SEC. 202. Section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof the following new subsections:

"(p) Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not reestablish maximum rents in any defense-rental area, including any community owned and operated by the Federal Government, which has previously been decontrolled under this Act until a public hearing, after thirty days' notice, has been held in such area.

"(q) Consistent with the other provisions of this Act, all affected agencies, departments, and establishments of the Federal Government shall, by July 15, 1952, establish and administer rents and service charges for quarters supplied to Federal employees and members of the Uniformed Services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget: Provided however, That the provisions of this subsection shall not apply to housing units under the jurisdiction of the Atomic Energy Commission where Federal Rent Control is now in effect."

SEC. 203. The Director of Defense Mobilization is hereby authorized to appoint a Defense Areas Advisory Committee to advise him in connection with the exercise of any function or authority vested in him by section 204 (l) of the Housing and Rent Act of 1947, as amended, or section 101 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, or by delegation thereunder, with respect to determining any area



the Act could be used to limit the domestic consumption of any material in order to restrict total United States consumption to an amount fixed by the International Materials Conference.

The conference substitute retains the declaration of policy provision contained in the House amendment with respect to encouraging the maximum supply of raw materials for the civilian economy. In addition it provides that no agreement shall be entered into by the United States limiting the total United States consumption of any material unless the agreement authorizes domestic consumers to purchase the unused quantities allocated to other countries. The conference substitute also makes clear that allocations and priorities controls may be applied to materials (both domestically produced and imported) and facilities through the Controlled Materials Plan or other methods of allocation. With respect to domestic users purchasing materials allocated to another country but not used by that country, it is the intention of the committee of conference that adequate steps shall be taken by our Government in agreement with the government of such country in order that information concerning the amount of any unused allocation will be made available to domestic users as quickly as possible in order that such users may have the opportunity to purchase such quantities.

#### IMPORT LIMITATIONS

The House amendment contained a provision which would amend section 101 of the act in a manner which would require that when priorities or allocations of any raw material operate to limit the production of articles or products produced in the United States, the President by proclamation would have to limit imports of any article or product using such raw material upon the request of a substantial portion of American producers of such article or product or an article or product competitive therewith provided the Secretary of Defense has not certified to the President that American production of such article or product is insufficient to supply the essential needs therefor. The import limitation for an article or product would be set at 100 percent of the average annual imports of such article or product during the calendar years 1947 through 1949, except that, if the Secretary of Defense certifies that American production of such article or product is insufficient to supply essential needs, imports would be limited to such quantity as the Secretary of Defense certifies as necessary, in excess of American production, to meet essential defense needs. Provision would be made for appropriate hearings before the Tariff Commission and for reports by the Tariff Commission to the President. The President would be required to proclaim the appropriate import limitation within thirty days of his receipt of the report from the Tariff Commission. No similar provision was included in the Senate bill and it is not included in the conference substitute.

#### IMPORT CONTROLS OVER FATS AND OILS

Section 104 of the Act prohibits imports of fats and oils, peanuts, butter, cheese and other dairy products, and rice and rice products which would (a) impair or reduce domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in

view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program.

The Senate bill rewrote section 104 so that it would provide that, for the purpose of exercising import controls over fats and oils, peanuts, butter, cheese and other dairy products, and rice and rice products, the provisions with respect thereto of title III of the Second War Powers Act would be revived and continued in force. Under this authority such import controls could be exercised only if they are found (a) essential to the acquisition or distribution of products in world short supply, or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government.

The House amendment, while retaining the criteria of existing law for the exercise of such import control authority, added provisions which (1) would specifically provide that such import controls could be exercised with respect to types and varieties of a commodity or product and (2) would authorize the Secretary of Agriculture to increase the import limitations established under section 104 up to an additional 10 percent for each type or variety which he might deem necessary, taking into consideration the broad effects on international relationships and trade.

The conference substitute retains the provisions of the House amendment except that the figure of 15 percent is substituted for the figure of 10 percent in the proviso.

The committee of conference desires to make it clear that this authority is not to be exercised with respect to types of cheeses, such as Roquefort and Switzerland Swiss, which, because of their United States selling price, are clearly not competitive with domestically produced cheeses.

#### APPLICATION OF SECTION 402 (D) (4)

The Senate bill contained a provision which was not included in the House Amendment which specifically would make the provisions of section 402 (d) (4) of the act (which provides for adjustment of price ceilings to reflect reasonable cost increases up to July 26, 1951) inapplicable to a seller of a material at retail or wholesale within the meaning of section 402 (k) of the act (which generally provides that price ceilings may not be imposed which deny distributors customary margins over costs). The conference substitute retains this provision of the Senate bill.

#### CEILINGS ON PRODUCTS PROCESSED FROM AGRICULTURAL COMMODITIES

The House amendment included a provision amending section 402 (d) (3) of the act which would require that ceiling prices in any agricultural marketing area for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products, reflect the cost adjustments provided for in section 402 (d) (4) and the customary distributing and selling margin or charge over costs provided for in section 402 (k) of the act. The Senate bill did not contain a provision similarly amending section 402 (d) (3) of the act.

The conference substitute retains this provision with modifications. The substitute language provides that any manufacturer or processor of an agricultural commodity has the same right to an individual adjustment of his ceiling prices under the third section of section 402 (d) (4) as does a manufacturer or processor of non-agricultural commodities. Wholesalers and retailers of processed agricultural commodities shall be afforded the same treatment under section 402 (k) as other wholesalers and retailers of materials.

The provisions of section 402 (k), in the case of distribution of processed agricultural commodities, apply on a marketing area basis in the case of a commodity like milk, which traditionally is priced on that basis.

The provisions of the substitute are designed to make clear that under existing law that the provisions of section 402 (d) (4) are applicable to a processor of agricultural commodities and the provisions of section 402 (k) to wholesalers and retailers of processed agricultural commodities.

While under section 402 (d) food processors are entitled to individual adjustments under section 402 (k) food distributors are not entitled to individual margins or charges. This provision does not change the rights accruing under either section. It is merely designed to make it clear that food processors and distributors have the same rights as other processors and distributors.

#### PRICE CONTROL AND RATIONING

The House amendment contained a provision which would add a new paragraph (5) to section 402 (d) of the act. The new paragraph would require suspension of the price ceiling on any material as long as (1) the material is selling below the ceiling price and has so sold for a period of 3 months; or (2) the material is in adequate or surplus supply and has been so for a period of 3 months. For this purpose a material would be in adequate or surplus supply whenever it is not being allocated for civilian use, or in the case of an agricultural commodity or product processed in whole or substantial part therefrom, is not being rationed at the retail level of consumer goods for household and personal use, under title I of the act. The Senate bill did not contain a similar provision and neither does the conference substitute.

#### PRICE CEILINGS FOR CERTAIN SALES TO ULTIMATE USERS

The House amendment provided for the addition of a new paragraph (6) to section 402 (d) of the act. The new paragraph (6), effective as of the date of issuance of the General Price Ceiling Regulation, would provide that any sale of fertilizer to the ultimate user by a person who acquired it for resale would be considered a retail sale for the purpose of determining the applicable price ceiling under the General Price Ceiling Regulation. The Senate bill did not contain a similar provision. The conference substitute retains this provision of the House amendment, except that it takes effect upon enactment instead of as of January 26, 1951.

## ENGINEERS, ARCHITECTS, ACCOUNTANTS

The Senate bill contained a provision which would amend the exemption from wage controls in section 402 (e) (ii) of the act by adding to those compensations which are exempted the wages, salaries, and other compensation paid: to professional engineers employed in a professional capacity; to professional architects employed in a professional capacity by an architect or firm of architects engaged in the practice of that profession; and to certified public accountants licensed to practice as such, employed in a professional capacity by a certified public accountant or firm of such accountants engaged in the practice of that profession. The House amendment contained no similar provision. The conference substitute includes this provision of the Senate bill.

## EXEMPTION OF WAGES OF PUBLICATION AND INFORMATION ENTERPRISES

The second part of section 402 (e) (iii) of the act presently exempts from price control rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting or television station, a motion picture or other theater enterprise, or outdoor advertising facilities. The House amendment contained a provision which would broaden this paragraph to exempt from wage control, wages paid to employees engaged in such businesses. The Senate bill contained no similar provision. The conference substitute does not include this provision of the House amendment.

## EXEMPTION OF MARINE TERMINALS AND CERTAIN COMMON CARRIER CHARGES

Paragraph (v) of section 402 (e) of the act exempts rates charged by any common carrier or other public utility from price control, but in a proviso grants limited intervention rights to the President, or such agency as he may designate, in proceedings for rate increases before appropriate regulatory bodies.

The Senate bill contained a provision which would, declaratory of existing law, include rates charged by marine terminals in the exemption in section 402 (e) (v). This change would be made by exempting "rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, 64th Cong.), as amended." The Senate provision would also, declaratory of existing law, include in the exemption of common carrier rates and charges (a) compensation for the use by others of a common carrier's cars or other transportation equipment, charges for the use of washroom and toilet facilities in terminals and stations, charges for repairing cars or other transportation equipment owned by others, charges for the use of parking facilities operated by common carriers in connection with their common carrier operations; and (b) charges paid by common carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation equipment owned by a person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pickup and delivery and local



transfer services. The Senate bill would retain the limited intervention authority of the proviso referred to in the preceding paragraph.

The House amendment contained a provision which would extend the exemption presently granted in 402 (e) (v) to include rates charged by marine terminals, and would have taken away the limited authority to intervene by deleting the proviso.

The conference substitute retains the provision of the Senate bill except that (1) the statement that the exemption is declaratory of existing law has been deleted and (2) a further proviso is added to the paragraph which forbids the Office of Price Stabilization to intervene in any case involving increases in rates or charges proposed by any common carrier or other public utility except in accordance with the limited intervention right now granted in the first proviso of the paragraph. The exemptions provided for in this provision merely spell out the original intention of Congress as it is the understanding of the committee that the new matters covered in this exemption are generally subject to regulatory supervision.

#### EXEMPTION OF STATE SALES

The Senate bill made provision for the addition of a new paragraph (viii) to section 402 (e) of the act. The new paragraph would exempt from price controls rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing. The House amendment provided for a more limited exemption in that it ran only to sales of surplus materials made by the above enumerated governmental units. The conference substitute retains the broader provisions of the Senate bill.

#### CUSTOMARY DISTRIBUTOR MARGINS

The Senate bill contained a provision which would rewrite the first sentence of section 402 (k) of the act so that it would be applicable to OPS regulations issued before as well as after that section was enacted last year.

The House amendment contained provisions which would (1) make the subsection applicable to sellers of services as well as sellers of materials, (2) make clear that the subsection is applicable to sellers whether their customary margins over costs are calculated on a percentage mark-up basis or on a dollars-and-cents basis, (3) make the subsection applicable on an individual basis only, and (4) forbid the maintenance in effect of rules, regulations, orders, or amendments thereto, whether issued before or after the enactment of the amendment, unless they meet the requirements of the subsection. This amendment of section 402 (k) would take effect 60 days after its enactment.

The conference substitute retains the provisions of the House amendment except those contained in clauses 1 and 3 of the preceding paragraph, and the changes made by the conference amendment would take effect upon enactment instead of 60 days later. The language of the conference substitute is thus the same as the corresponding

provision of H. R. 8210, as reported by the House Banking and Currency Committee.

The Office of Price Stabilization, as a matter of discretion may use individual markups in fields where they are appropriate, a practice which it now follows in many of those regulations. However, under the conference substitute, the Office of Price Stabilization is not required by law to use individual markups for any seller.

#### STATE MINIMUM PRICES

The Senate bill contained a provision which would add a new subsection (l) to section 402 of the act under which no price ceiling for any material could be set in any State below the minimum sales price of such material fixed "by the State law (other than any so-called 'fair trade law') or regulation now in effect." The House amendment contained a generally similar provision which, however, in place of the language included in the above quotation marks would substitute "by any State law other than any so-called fair-trade law enacted prior to July 1, 1952 or by regulation issued pursuant to such law." The conference substitute retains the provision but in place of the quoted language above substitutes "by the State law (other than any so-called 'fair trade law') now in effect, or by regulation issued pursuant to such law."

It was the intent of the conferees that this provision apply only to State minimum price laws which are presently enforced and in effect, and not to State minimum price laws which are not now enforced or which are dormant.

#### MEAT PRICE CEILINGS OF AFFILIATED HOTEL SUPPLY HOUSES

The House amendment contained a provision which would add a new subsection (m) to section 402 of the act. The new subsection would not permit the imposition of meat price ceilings for any hotel supply house or combination distributor which is affiliated with a slaughterer or slaughtering establishment, lower than those accorded hotel supply houses or combination distributors not so affiliated. The Senate bill did not contain a similar provision. The conference substitute retains the provisions of the House amendment, but further provides that the subsection applies to any wholesaler affiliated with a slaughterer or slaughtering establishment, whose affiliation does not amount to an interest or equity greater than 50 percent.

#### CEILING ON AGRICULTURAL COMMODITIES AND MARGIN CONTROLS

The Senate bill in section 110 would provide that notwithstanding any other provision of the act, whenever price ceilings are imposed on any agricultural commodity at the farm level, margin controls simultaneously would have to be imposed on processors, wholesalers, and retailers allowing them normal markups as provided in the act but not greater than their normal margins of profit. No similar provision was contained in the House amendment. The conference substitute retains this provision of the Senate bill.

## ESA DUTY TO COORDINATE

The Senate bill contained a provision which would add a new subsection to section 402 of the act. This subsection would make it the express duty of the Economic Stabilization Agency, or any successor agency, to coordinate the relationship between prices and wages, and to stabilize prices and wages. The House amendment contained no similar provision. The conference substitute retains this provision of the Senate bill.

## ADMINISTRATION OF SALARY STABILIZATION

The House amendment contained a provision which would amend section 403 of the Act through the addition of two new sentences. These would provide that notwithstanding the other provisions of the section, administration of salary stabilization for executive, administrative, supervisory, and professional personnel would be under the jurisdiction of the Bureau of Internal Revenue under stabilization policies promulgated by the Economic Stabilization Administrator. The meaning of the above enumerated personnel classifications would be the same as defined in the Labor-Management Relations Act, 1947 and in existing regulations under the Fair Labor Standards Act. The Senate bill did not contain a similar provision.

The conference substitute provides that stabilization of salaries and other compensation of persons employed as outside salesmen, in bona fide executive, administrative or professional capacities, or as supervisors shall be administered by the Salary Stabilization Board and the Office of Salary Stabilization as presently established within the Economic Stabilization Agency or any successor agency subject to the supervision and direction of the Economic Stabilization Administration.

## SUSPENSION OF CEILINGS AND REPORTING

The Senate bill contained a provision which would add a new section to title III of the act. The new section would declare it to be a policy of the Congress that general control of wages and prices should be terminated as rapidly as possible consistent with the policies and purpose of the act and that pending such termination, controls over wages or prices should be suspended whenever possible, consistent with specified stabilization considerations, to avoid burdensome and unnecessary reporting and record keeping. Provision would be made to revoke any such suspension actions whenever it would be necessary to effectuate the purposes of the act.

The House amendment also contained a provision which would add a new section to title IV of the act. The new section would provide for relief from the burden of furnishing reports or other information to the OPS with respect to sales of materials or services at prices which are below the applicable ceiling prices if the seller certifies to the President that such sales were made at such prices. Thus a simple certification would replace a substantial volume of price reporting for sales made at prices which are below ceiling. The relief from the burden of furnishing reports would not, of course, deny the right of

investigation under section 705. Under this provision existing price ceilings would not be suspended and would remain in effect as a stopping point should prices of a commodity go back to the ceiling.

The conference substitute contains both of these provisions which are added as new sections 411 and 412 of the act.

#### LIMITATION ON NATURAL GAS EXEMPTION

Section 704 of the act now provides that no rule, regulation, or order issued under the act which restricts the use of natural gas shall apply in any State in which a public regulatory agency has authority to restrict the use of natural gas and certifies to the President that it is exercising that authority to the extent necessary to accomplish the objectives of the act. The House amendment contained a provision which would qualify this exemption by requiring that in addition to meeting the other criteria, the public regulatory agency must make provision for natural gas for house heating to amputee veterans, other hardship cases, and totally disabled individuals. The Senate bill did not contain a similar provision.

The conference substitute does not contain this provision of the House amendment. It is the opinion of the committee of conference, however, that State regulatory bodies should make appropriate provision allowing for the use of natural gas for house heating for amputee veterans, totally disabled individuals, and other hardship cases.

#### COMPETITIVE POSITION OF BUSINESS CONSIDERED IN ALLOCATING MATERIALS

Section 701 (c) of the act provides in part that in allocating materials the President shall, among other things, make available for business and segments thereof a fair share of the available civilian supply based on the normal share received by such business during a representative period preceding June 24, 1950, and having due regard to the current competitive position of established business. The House amendment contained a provision which would specify that the current competitive position of established business referred to in the subsection is the position during such representative period preceding June 24, 1950. The Senate bill did not contain a similar provision, and neither does the conference substitute.

#### WAGE STABILIZATION BOARD

Both the Senate bill and the House amendment provided for the addition of a new subsection (b) to section 403 of the act under which the present Wage Stabilization Board would be abolished and replaced with a new Wage Stabilization Board created in the Economic Stabilization Agency. The new Board would be composed of members representative of the general public, labor, and business and industry. The number of members would be determined by the President and all members would be appointed by the President. Public members would be paid \$15,000 per year and could not engage in other employment; other members would receive compensation for service of \$50 per day plus statutory allowances for necessary travel and subsistence expenses. The President would designate the Chairman and Vice



Chairman from among the public members. The Board would be under the supervision and direction of the Economic Stabilization Administrator and would recommend to him general policies and general regulations relating to prescribing maximum limits on wages, salaries, and other compensation. The Board upon request of interested parties would advise on interpretation and application of such policies and regulations promulgated by the Economic Stabilization Administrator.

The Senate bill and the House amendment however, contained different proposals with respect to composition of the Board, confirmation of its members, term of office of its members and duties of the Board.

Under the Senate bill the Board would be composed of an equal number of members representing the public, labor, and industry and management, while under the House amendment the number of public members would have to exceed the aggregate of labor, and business and industry members. The House amendment would have provided further that labor, and business and industry would have equal representation on the Board and that among labor members, at least one would have to be a person who is not a representative of any organization affiliated with either of the two major labor organizations.

Under the Senate bill appointment of all of the Board members would be subject to Senate confirmation while under the House amendment appointment of only the public members would have to be so confirmed.

Under the Senate bill the terms of office of the members of the Board would terminate on March 1, 1953, while under the House amendment such termination date would be June 30, 1953.

Under the Senate bill the Board, or a proportionate panel of the Board, could undertake to mediate and/or arbitrate wage, salary, and other compensation labor disputes if the Director of the Federal Mediation and Conciliation Service certifies to the Administrator of the Economic Stabilization Agency that all remedies available to the Service have been exhausted, and (a) the parties themselves ask the Board to mediate and/or arbitrate, or (b) the President asks the Board to mediate and/or arbitrate and the parties consent. The House amendment did not provide similar limited disputes authority for the Board and in fact specifically provided that aside from its advice on and interpretative duties with respect to regulations issued by the Economic Stabilization Administrator covering wages, salaries and other compensation, the Board would have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. It was further specifically provided that labor disputes, so far as governmental action is concerned, if dealt with at all would be dealt with only in accordance with statutes which have been enacted or may be enacted by the Congress.

The conference substitute follows the provisions of the Senate bill with reference to the composition of the new Wage Stabilization Board, namely, that it would consist of an equal number of members representing the public, labor, and business and industry and Senate confirmation would be required for all members appointed to the Board. With respect to powers and duties of the Board, the conference substitute follows the provisions of the House amendment and does not grant any authority to mediate or arbitrate, and in addition

the term of office of the Board members would terminate on May 1, 1953. The conference substitute further provides that after June 27, 1952, the present Wage Stabilization Board shall issue no regulation or order except with respect to individual cases pending before the Board prior to such date.

The conference substitute is not intended to preclude the Board from, as at present, enforcing wage stabilization regulations and policies.

#### CREDIT CONTROLS

The Senate bill continued title VI of the act which provides authorities for the control of consumer and real estate credit. The House amendment included a provision repealing title VI of the act and amending section 708 of the act so that hereafter no voluntary program or agreement for the control of credit could be approved or carried out under that section.

The conference substitute revokes the authority to impose consumer credit controls under the Defense Production Act (regulation W) and to approve or carry out any voluntary program or agreement for the control of credit. Provision is made, however, for continuing and limiting the authority of the President to exercise real estate construction credit control (regulation X and related programs in connection with government aided housing). Whenever for any consecutive three months the annual rate of starts of permanent, non-farm, family dwelling units falls below 1,200,000 units, the President is to publish in the Federal Register an announcement of the beginning of a period of residential credit control relaxation. Such period shall start by the first day of the second calendar month following the three consecutive months during which the annual rate of starts has dropped below 1,200,000. During the relaxation period, credit regulations cannot require more than a 5 percent down payment on the transaction price of residential property subject to such regulations. The relaxation period may be ended by the President whenever the annual rate of starts for any three consecutive months exceeds 1,200,000. He then may impose credit controls within the limits of the authority granted him by title VI of the act, as amended, during periods which are not periods of residential credit control relaxation. The conference substitute as to title VI is prospective in nature and the procedures prescribed therein begin to operate on the effective date of the Defense Production Act Amendments of 1952.

#### REVIEW OF PRICE AND RENT ORDERS AND REGULATIONS

Section 407 of the act now provides for a procedure whereby any person subject to a regulation or order relating to price controls may file a protest with the President objecting to the regulation or order. Section 408 of the act now provides for review of such regulations and orders in the Emergency Court of Appeals.

The House amendment would amend section 407 so as to make available to persons subject to regulations and orders relating to rent controls the same protest procedure now available under section 407 with respect to regulations and orders relating to price controls, and to provide for review of regulations and orders relating to rent controls by the Emergency Court of Appeals. In addition, the House

amendment would rewrite section 408 of the act so as to make several changes with respect to review by the Emergency Court of Appeals of regulations and orders relating to both price controls and rent controls. The amendment would permit the court to "grant such temporary relief or restraining order as it deems just and proper"; and would eliminate the existing provision forbidding the court to issue such temporary orders. The amendment would eliminate the existing provision as to the scope of review by the court and would provide, instead, that "The findings of the President with respect to questions of fact, if supported by a preponderance of the evidence on the record shall be conclusive." The amendment also would eliminate the existing provision which stays for thirty days the effectiveness of any court order enjoining or setting aside a regulation or order.

The Senate bill did not contain a similar provision.

The conference substitute retains the provisions of the House amendment except for the following change. In lieu of "if supported by a preponderance of the evidence on the record" the conference substitute provides "if supported by substantial evidence on the record considered as a whole". This change was adopted to bring this provision into conformity with the provisions of section 10 (e) of the Administrative Procedure Act.

In removing the provision which prohibits the court from granting temporary relief it is the intention of the committee of conference that the court grant such relief only in accordance with the applicable principles of equity, and giving due consideration to the effect which such action would have upon the stabilization objectives of the act.

With respect to removing the existing provision which stays for 30 days the effectiveness of any order of the court enjoining or setting aside regulations or orders, the committee of conference desires to emphasize the fact that it does not intend by this action to prevent the court from granting such stays of its orders as it deems desirable in order that the agency may make the required changes in the affected regulations or orders in order to conform to the judgment of the court. It is the opinion of the committee of conference that the court should give due consideration to the granting of stays of its orders so that the agency concerned may have an opportunity to bring its regulations and orders in conformity to the judgment of the court. The committee has full confidence that the court will use its authority to grant stays of the effectiveness of its orders where it is necessary to give the agency time in which to correct its regulations or orders so that the objectives of this act can be achieved.

#### EXTENSION OF DEFENSE PRODUCTION ACT

The Senate bill contained provisions which would extend titles I, II, III, VI, and VII of the act to the close of June 30, 1953. The House amendment contained provisions which would extend all titles of the Act, except title VI, to the close of June 30, 1953. Title VI would be repealed.

The conference substitute provides that titles I, II, III, VI, and VII of this act and all authority conferred thereunder shall terminate at the close of June 30, 1953; and titles IV and V of this act and all authority conferred thereunder shall terminate at the close of April 30, 1953.

## HOUSING AND RENT ACT

## EXTENSION OF THE ACT

The Senate bill provided for the extension of the Housing and Rent Act of 1947, as amended, to February 28, 1953. The House amendment contained a provision amending section 204 (f) of the Housing and Rent Act of 1947, as amended. The amendment would extend that act to September 30, 1952, except that the act would continue in effect until the close of March 31, 1953, (a) in any area which prior to or subsequent to September 30, 1952, is certified under section 204 (l) of the act as a critical defense housing area and (b) in any incorporated city, town, or village where rent control is in effect, and prior to September 30, 1952, declares by resolution of its local governing body or by popular referendum that a substantial shortage of housing exists requiring continuance of Federal rent control in such locality. Rent control would be continued for a like period in any unincorporated locality in a defense-rental area in which one or more of the incorporated localities, constituting the major portion of the defense rental area, retains rent control. The other provisions of section 204 (f) would be retained unchanged. Veteran preferences in the rental or purchase of new housing accommodations would be extended to June 30, 1953.

The conference substitute retains the provisions of the House amendment, except that the date April 30, 1953, is substituted for March 31, 1953, as the final termination date for rent control. Veterans preferences in the rental or purchase of new housing accommodations are likewise extended to April 30, 1953.

## RECONTROL IN DECONTROLLED DEFENSE-RENTAL AREAS

The Senate bill contained a provision which would add a new subsection (p) to section 204 of the act. Except in the case of local option recontrol under section 204 (k), the new subsection would prevent the recontrol of rents in a previously decontrolled defense-rental area, including any community owned and operated by the Federal Government, until a public hearing, after thirty days' notice, has been held in such area. The House amendment did not contain a similar provision. The conference substitute contains the Senate provision.

## CRITICAL DEFENSE HOUSING AREAS

The present law in section 204 (l) contains three criteria for the certification of a critical defense housing area. These criteria are met if specified conditions as to defense installations, in-migration shortage of housing, and rents either exist, or are impending or threatening. The House amendment would provide that the criteria are met only if these conditions are actually in existence at the time. The Senate bill did not contain a similar provision.

The conference substitute does not contain the provisions of the House amendment.



## WALSH-HEALEY ACT

Section 301 of the Senate bill amends the Walsh-Healey Act by adding thereto a new section 10.

Subsection (a) of section 10 makes the provisions of the Administrative Procedure Act applicable to sections 1 to 5 and 7 to 9 of the Walsh-Healey Act. Section 4 of the Administrative Procedure Act now excepts matters relating to public contracts from the requirements of the act pertaining to rule making. The effect of the amendment made by subsection (a) is to make rules (as defined in the Administrative Procedure Act) which are promulgated by the Secretary of Labor in the administration of sections 1 to 5 and 7 to 9 of the Walsh-Healey Act subject to certain minimum procedural requirements applicable to agencies generally in exercising rule making powers. Such requirements include (1) adequate notice of the proposed rule making with a clear statement of the terms or substance of the proposed rule, (2) opportunity for interested persons to participate in the proposed rule making by submission of views or arguments, and (3) the right of interested persons to petition for the issuance, amendment, or repeal of a rule. It is to be noted that compliance with the procedural requirements of the Administrative Procedure Act is not required in the case of rules promulgated under section 6 of the Walsh-Healey Act. Section 6 provides statutory authority for the Secretary of Labor to make exceptions under certain conditions with respect to contracts which would otherwise be subject to the provisions of the act.

Subsection (b) of section 10 provides that all wage determinations by the Secretary of Labor under section 1 (b) of the Walsh-Healey Act shall be made on the record after opportunity for an agency hearing. The effect of this language is to compel compliance by the Secretary of Labor with the requirements of sections 7 and 8 of the Administrative Procedure Act (relating to hearings and decisions) as a prerequisite to the making of a determination of the prevailing minimum wages in an industry. The full force of the procedural safeguards contained in the Administrative Procedure Act is thereby brought into play insofar as these controversial determinations are concerned. The subsection further assures the right to obtain judicial review of these determinations in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in, materials, supplies, articles, or equipment purchased or to be purchased by the Government from any source, who is in any industry to which the wage determination is applicable. The language assuring judicial review makes it clear that the court may consider the applicability of the wage determination to any person as well as the amount arrived at by the Secretary of Labor. Any such review may be sought, however, only by a proceeding instituted within 90 days after the determination is made.

Subsection (c) of section 10 is designed to permit any Government contractor whose contract contains stipulations required by the Walsh-Healey Act to obtain a judicial determination in any appropriate proceeding of any legal question (including the applicability of the act) to the same extent as any such question could be raised if the stipulations were not contained in the contract. Without the lan-

guage contained in subsection (c) there would be some doubt as to whether any Government contractor who had signed a contract containing "Walsh-Healey stipulations" could later in any legal proceeding raise questions concerning (1) the applicability of the act to his particular contract, or (2) the legality of any such stipulation. Under subsection (c) the court and not the Secretary of Labor may ultimately decide whether, in respect to any particular Government contract, the Walsh-Healey Act is being properly applied. The House amendment did not contain a similar provision. The conference substitute contains the provisions of the Senate bill.

### ADDITIONAL COMMITTEE COMMENT

#### GRADING AND GRADE MARKING OF MEAT AND MEAT PRODUCTS

It is the understanding of the committee of conference that the proviso contained in section 101a of the conference report does not grant any additional authority not now contained in the act but rather is designed to insure continuance of existing Office of Price Stabilization grading and grade marking of meat and meat products including the necessary requirements as to related records and record keeping.

#### CERTAIN TECHNICAL VIOLATIONS

The committee of conference has received several complaints concerning the general ceiling price regulation affecting lumber distributors in southern areas with respect to which the committee believes relief must be afforded. The general ceiling price regulation was issued in January 1951 shortly after the general price freeze. The provisions of the regulation as it affected such distributors was ambiguous in many respects, and attempts were immediately made to bring this to the attention of the agency. However, a period of a year elapsed before a new regulation was issued correcting and clarifying the matters complained of. During this period it is the understanding of the committee there were some technical violations of the general ceiling price regulation of a nonwillful character. Such technical violations would not be violations of the order now in effect and but for the long period of time it took to issue the current order would probably never have occurred. It is not the intention of the committee to condone willful violations of any price regulation or order in this instance or any other. But in view of the circumstances of these cases it is the opinion of the committee that there should be no prosecution of technical violations, which were nonwillful, and which would not constitute any violation of the order currently in effect.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
ALBERT RAINS,  
JESSE P. WOLCOTT,  
RALPH A. GAMBLE,

*Managers on the Part of the House.*